

STATE GOVERNMENT RETIREMENT**AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Brad L. Dee

This act modifies the Utah State Retirement and Insurance Benefit Act by expanding the Utah State Retirement Board Membership from seven to 12 members.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

49-11-202, as last amended by Chapter 176 and renumbered and amended by Chapter 250, Laws of Utah 2002

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **49-11-202** is amended to read:

49-11-202. Establishment of Utah State Retirement Board -- Quorum -- Terms -- Officers -- Expenses and per diem -- Membership council established.

(1) There is established the Utah State Retirement Board composed of [~~seven~~] 12 board members determined as follows:

(a) Four board members, with experience in investments or banking, shall be appointed by the governor from the general public.

(b) One board member shall be a school employee appointed by the governor from at least three nominations submitted by the governing board of the school employees' association that is representative of a majority of the school employees who are members of a system administered by the board.

(c) One board member shall be a public employee appointed by the governor from at least three nominations submitted by the governing board of the public employee association that is representative of a majority of the public employees who are members of a system administered by the board.



(d) One board member shall be a city or town officer or employee appointed by the governor from at least three nominations submitted by the governing board of an association that is representative of a majority of the cities and towns who are members of a system administered by the board.

(e) One board member shall be a county officer or employee appointed by the governor from at least three nominations submitted by the governing board of an association that is representative of a majority of the counties who are members of a system administered by the board.

(f) One board member shall be a retired public employee ~~h~~ , WHO IS NOT A PEACE OFFICER OR FIREFIGHTER, ~~h~~ appointed by the governor from at least three nominations submitted by the governing board of an association that is representative of a majority of the retired public employees who retired from a system administered by the board.

(g) One board member shall be a ~~h~~ [retired] ~~h~~ peace officer appointed by the governor from at least three nominations submitted by the governing ~~h~~ [board of an association that is representative of a majority of the retired peace officers who retired from a system administered by the board] BOARDS OF THE ASSOCIATIONS THAT REPRESENT A MAJORITY OF PEACE OFFICERS ~~h~~ .

(h) One board member shall be a ~~h~~ [retired] ~~h~~ firefighter appointed by the governor from at least three nominations submitted by the governing board of an association that is representative of a majority of the ~~h~~ [retired] ~~h~~ firefighters ~~h~~ [who retired from a system administered by the board] ~~h~~ .

~~[(d)]~~ (i) One board member shall be the state treasurer.

(2) ~~[Four]~~ Seven board members constitute a quorum for the transaction of business.

(3) (a) All appointments to the board shall be made on a nonpartisan basis, with the consent of the Senate.

(b) Board members shall serve until their successors are appointed and take the constitutional oath of office.

(c) When a vacancy occurs on the board for any reason, the replacement shall be appointed for the unexpired term.

(4) (a) Except as required by Subsection (4)(b), all appointed board members shall serve for four-year terms.

(b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the

time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.

(c) A board member who is appointed as a school employee or as a public employee who retires or who is no longer employed with a participating employer shall immediately resign from the board.

(5) (a) Each year the board shall elect a president and vice president from its membership.

(b) Each board member shall receive a per diem plus expenses for attending regularly constituted meetings and conferences as provided by board action.

(6) (a) There is established a Membership Council to perform the duties under Subsection (10).

(b) The board may pay the travel expenses of council members who attend council meetings.

(7) The Membership Council shall be composed of 13 council members selected as follows:

(a) Three council members shall be school employees selected by the governing board of an association representative of a majority of school employees who are members of a system administered by the board.

(b) One council member shall be a classified school employee selected by the governing board of the association representative of a majority of classified school employees who are members of a system administered by the board.

(c) Two council members shall be public employees selected by the governing board of the association representative of a majority of the public employees who are members of a system administered by the board.

(d) One council member shall be a municipal officer or employee selected by the governing board of the association representative of a majority of the municipalities who participate in a system administered by the board.

(e) One council member shall be a county officer or employee selected by the governing board of the association representative of a majority of counties who participate in a system administered by the board.

90 (f) One council member shall be a representative of members of the Judges'
91 Noncontributory Retirement System selected by the Judicial Council.

92 (g) One council member shall be a representative of members of the Public Safety
93 Retirement Systems selected by the governing board of the association representative of the
94 majority of peace officers who are members of the Public Safety Retirement Systems.

95 (h) One council member shall be a representative of members of the Firefighters'
96 Retirement System selected by the governing board of the association representative of the
97 majority of paid professional firefighters who are members of the Firefighters' Retirement
98 System.

99 (i) One council member shall be a retiree selected by the Utah Association of Retired
100 Public Employees.

101 (j) One council member shall be a retiree selected by the Utah Retired School
102 Employees' Association.

103 (8) (a) Each entity granted authority to select council members under Subsection (7)
104 may also revoke the selection at any time.

105 (b) Each term on the council shall be for a period of four years, subject to Subsection
106 (8)(a).

107 (c) Each term begins on July 1 and expires on June 30.

108 (d) When a vacancy occurs on the council for any reason, the replacement shall be
109 selected for the remainder of the unexpired term.

110 (9) The council shall annually designate one council member as chair.

111 (10) The council shall:

112 (a) recommend to the board and to the Legislature benefits and policies for members of
113 any system or plan administered by the board;

114 (b) recommend procedures and practices to improve the administration of the systems
115 and plans and the public employee relations responsibilities of the board and office;

116 (c) examine the record of all decisions affecting retirement benefits made by a hearing
117 officer under Section 49-11-613;

118 (d) submit nominations to the board for the position of executive director if that
119 position is vacant;

120 (e) advise and counsel with the board and the director on policies affecting members of

- 121 the various systems administered by the office; and
122 (f) perform other duties assigned to it by the board.

Legislative Review Note
as of 2-19-03 11:30 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note**State Government Retirement Amendments***21-Feb-03***Bill Number HB0347***3:38 PM*

State Impact

The expansion of Retirement Board from seven members to 12 would result in increased costs of approximately \$40,000 annually. This amount would be part of the administrative costs and would not result in an increase in the retirement rates.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst